

103D CONGRESS  
1ST SESSION

# H. R. 3225

To support the transition to nonracial democracy in South Africa.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1993

Mr. JOHNSTON of Florida (for himself, Mr. PAYNE of New Jersey, Mr. HAMILTON, Mr. MFUME, Mr. DELLUMS, Mr. BISHOP, Mr. BLACKWELL, Ms. BROWN of Florida, Mrs. CLAYTON, Mr. CLYBURN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DIXON, Mr. FIELDS of Louisiana, Mr. FORD of Tennessee, Mr. FRANKS of Connecticut, Mr. HASTINGS, Mr. HILLIARD, Ms. NORTON, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, Ms. MCKINNEY, Mrs. MEEK, Mr. OWENS, Mr. RANGEL, Mr. RUSH, Mr. SCOTT, Mr. STOKES, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. TUCKER, Ms. WATERS, Mr. WATT, Mr. WHEAT, Mr. WYNN, Mr. GEJDENSON, Mr. ACKERMAN, Mr. EDWARDS of California, Mr. ENGEL, Mr. TORRICELLI, Mr. BURTON of Indiana, and Mr. ROYCE) introduced the following bill; which was referred jointly to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, Ways and Means, and Public Works and Transportation

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## A BILL

To support the transition to nonracial democracy in South Africa.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “South African Demo-  
3 cratic Transition Support Act of 1993”.

4 **SEC. 2. FINDINGS**

5       The Congress makes the following findings:

6           (1) After decades of apartheid, South Africa  
7 has entered a new era which presents a historic op-  
8 portunity for a transition to a peaceful, stable, and  
9 democratic future.

10          (2) Through broad and open negotiations, the  
11 parties in South Africa have reached a landmark  
12 agreement on the future of their country. This  
13 agreement includes the establishment of a Transi-  
14 tional Executive Council and the setting of a date  
15 for nonracial elections.

16          (3) The international community has a vital in-  
17 terest in supporting the transition from apartheid  
18 toward nonracial democracy.

19          (4) The success of the transition in South Afri-  
20 ca is crucial to the stability and economic develop-  
21 ment of the southern African region.

22          (5) Nelson Mandela of the African National  
23 Congress and other representative leaders in South  
24 Africa have declared that the time has come when  
25 the international community should lift all economic  
26 sanctions against South Africa.

1           (6) In light of recent developments, the continu-  
2           ation of these economic sanctions is detrimental to  
3           persons disadvantaged by apartheid.

4           (7) Those calling for the lifting of economic  
5           sanctions against South Africa have made clear that  
6           they do not seek the immediate termination of the  
7           United Nations-sponsored special sanctions relating  
8           to arms transfers, nuclear cooperation, and exports  
9           of oil. The Ad Hoc Committee on Southern Africa  
10          of the Organization of African Unity, for example,  
11          has urged that the oil embargo established pursuant  
12          to a 1986 General Assembly resolution be lifted  
13          after the establishment and commencement of the  
14          work of the Transitional Executive Council.

15 **SEC. 3. UNITED STATES POLICY.**

16          It is the sense of the Congress that—

17               (1) the United States should—

18                       (A) strongly support the Transitional Ex-  
19                       ecutive Council in South Africa,

20                       (B) encourage rapid progress toward the  
21                       establishment of a nonracial democratic govern-  
22                       ment in South Africa, and

23                       (C) support a consolidation of democracy  
24                       in South Africa through democratic elections

1           for an interim government and a new nonracial  
2           constitution;

3           (2) the United States should continue to pro-  
4           vide assistance to support the transition to a  
5           nonracial democracy in South Africa, and should  
6           urge international financial institutions and other  
7           donors to also provide such assistance;

8           (3) to the maximum extent practicable, the  
9           United States should consult closely with inter-  
10          national financial institutions, other donors, and  
11          South African entities on a coordinated strategy to  
12          support the transition to a nonracial democracy in  
13          South Africa;

14          (4) in order to provide ownership and manage-  
15          rial opportunities, professional advancement, train-  
16          ing, and employment for disadvantaged South Afri-  
17          cans and to respond to the historical inequities cre-  
18          ated under apartheid, the United States should—

19                (A) promote the expansion of private en-  
20                terprise and free markets in South Africa,

21                (B) encourage the South African private  
22                sector to take a special responsibility and inter-  
23                est in providing such opportunities, advance-  
24                ment, training, and employment for disadvan-  
25                taged South Africans,

1 (C) encourage United States private sector  
2 investment in and trade with South Africa,

3 (D) urge United States investors to de-  
4 velop a working partnership with representative  
5 organs of South African civil society, particu-  
6 larly churches and trade unions, in promoting  
7 responsible codes of corporate conduct and  
8 other measures to address the historical inequi-  
9 ties created under apartheid;

10 (5) the United States should urge the Govern-  
11 ment of South Africa to liberalize its trade and in-  
12 vestment policies to facilitate the expansion of the  
13 economy, and to shift resources to meet the needs of  
14 disadvantaged South Africans;

15 (6) the United States should promote coopera-  
16 tion between South Africa and other countries in the  
17 region to foster regional stability and economic  
18 growth; and

19 (7) The United States should demonstrate its  
20 support for an expedited transition to, and should  
21 adopt a long term policy beneficial to the establish-  
22 ment and perpetuation of, a nonracial democracy in  
23 South Africa.

1 **SEC. 4. REPEAL OF APARTHEID SANCTIONS LAWS AND**  
2 **OTHER MEASURES DIRECTED AT SOUTH**  
3 **AFRICA.**

4 (a) COMPREHENSIVE ANTI-APARTHEID ACT.—

5 (1) IN GENERAL.—All provisions of the Com-  
6 prehensive Anti-Apartheid Act of 1986 (22 U.S.C.  
7 5001 and following) are repealed as of the date of  
8 enactment of this Act, except for the sections speci-  
9 fied in paragraph (2).

10 (2) EFFECTIVE DATE OF REPEAL OF CODE OF  
11 CONDUCT REQUIREMENTS.—Sections 1, 3, 203(a),  
12 203(b), 205, 207, 208, 601, 603, and 604 of the  
13 Comprehensive Anti-Apartheid Act of 1986 are re-  
14 pealed as of the date on which the President certifies  
15 to the Congress that an interim government, elected  
16 on a nonracial basis through free and fair elections,  
17 has taken office in South Africa.

18 (3) CONFORMING AMENDMENTS.—(A) Section  
19 3 of the Comprehensive Anti-Apartheid Act of 1986  
20 is amended by striking paragraphs (2) through (4)  
21 and paragraphs (7) through (9), by inserting “and”  
22 at the end of paragraph (5), and by striking “; and”  
23 at the end of paragraph (6) and inserting a period.

24 (B) The following provisions of the Foreign As-  
25 sistance Act of 1961 that were enacted by the Com-  
26 prehensive Anti-Apartheid Act of 1986 are repealed:

1 subsections (e)(2), (f), and (g) of section 116 (22  
2 U.S.C. 2151n); section 117 (22 U.S.C. 2151o), re-  
3 lating to assistance for disadvantaged South Afri-  
4 cans; and section 535 (22 U.S.C. 2346d). Section  
5 116(e)(1) of the Foreign Assistance Act of 1961 is  
6 amended by striking “(1)”.

7 (b) OTHER PROVISIONS.—The following provisions  
8 are repealed or amended as follows:

9 (1) Subsections (c) and (d) of section 802 of  
10 the International Security and Development Co-  
11 operation Act of 1985 (99 Stat. 261) is repealed.

12 (2) Section 211 of the Foreign Relations Au-  
13 thorization Act, Fiscal Years 1986 and 1987 (99  
14 Stat. 432) is repealed, and section 1(b) of that Act  
15 is amended by the striking the item in the table of  
16 contents relating to section 211.

17 (3) Sections 1223 and 1224 of the Foreign Re-  
18 lations Authorization Act, Fiscal Years 1988 and  
19 1989 (101 Stat. 1415) is repealed, and section 1(b)  
20 of that Act is amended by striking the items in the  
21 table of contents relating to sections 1223 and 1224.

22 (4) Section 362 of the Foreign Relations Au-  
23 thorization Act, Fiscal Years 1992 and 1993 (105  
24 Stat. 716) is repealed, and section 2 of that Act is

1 amended by striking the item in the table of con-  
2 tents relating to section 362.

3 (5) Section 2(b)(9) of the Export-Import Bank  
4 Act of 1945 (12 U.S.C. 635(b)(9)) is repealed.

5 (6) Section 43 of the Bretton Woods Agree-  
6 ments Act (22 U.S.C. 286aa) is amended by repeal-  
7 ing subsection (b) and by striking “(a)”.

8 (7) Section 330 of H.R. 5205 of the 99th Con-  
9 gress (Department of Transportation and Related  
10 Agencies Appropriations Act, 1987) (22 U.S.C.  
11 5056a) as incorporated by reference in section  
12 101(l) of Public Law 99–500 and Public Law 99–  
13 591, and made effective as if enacted into law by  
14 section 106 of Public Law 100–202, is repealed.

15 (8)(A) Section 901(j)(2)(C) of the Internal Rev-  
16 enue Code of 1986 (26 U.S.C. 901(j)(2)(C) is re-  
17 pealed.

18 (B) Subparagraph (A) shall not be construed as  
19 affecting any of the transitional rules contained in  
20 Revenue Ruling 92–62 which apply by reason of the  
21 termination of the period for which section 901(j) of  
22 the Internal Revenue Code of 1986 was applicable to  
23 South Africa.



1           (9) The table in section 502(b) of the Trade  
2   Act of 1974 (19 U.S.C. 2462(b)) is amended by  
3   striking “Republic of South Africa”.

4           (10) The undesignated paragraph entitled  
5   “STATE AND LOCAL ANTI-APARTHEID POLICIES” in  
6   chapter IX of the Dire Emergency Supplemental Ap-  
7   propriations and Transfers, Urgent Supplementals,  
8   and Correcting Enrollment Errors Act of 1989 (22  
9   U.S.C. 5117) is repealed.

10          (11) Section 210 of the Urgent Supplemental  
11   Appropriations Act, 1986 (100 Stat. 749) is re-  
12   pealed.

13          (c) SANCTIONS MEASURES ADOPTED BY STATE OR  
14   LOCAL GOVERNMENTS OR PRIVATE ENTITIES.—The Con-  
15   gress urges all State or local governments and all private  
16   entities in the United States that have adopted any re-  
17   striction on economic interactions with South Africa, or  
18   any policy discouraging such interaction, to rescind such  
19   restriction or policy.

20          (d) CONTINUATION OF UN SPECIAL SANCTIONS.—  
21   It is the sense of the Congress that the United States  
22   should continue to respect United Nations Security Coun-  
23   cil resolutions on South Africa, including the resolution  
24   providing for a mandatory embargo on arms sales to  
25   South Africa and the resolutions relating to the import

1 of arms, restricting exports to the South African military  
2 and police, and urging states to refrain from nuclear co-  
3 operation that would contribute to the manufacture and  
4 development by South Africa of nuclear weapons or nu-  
5 clear devices.

6 **SEC. 5. UNITED STATES ASSISTANCE FOR THE TRANSITION**  
7 **TO A NONRACIAL DEMOCRACY.**

8 (a) IN GENERAL.—The President is authorized and  
9 encouraged to provide assistance under chapter 10 of part  
10 I of the Foreign Assistance Act of 1961 (relating to the  
11 Development Fund for Africa) or chapter 4 of part II of  
12 the Act (relating to the Economic Support Fund) to sup-  
13 port the transition to nonracial democracy in South  
14 Africa. Such assistance shall—

15 (1) focus on building the capacity of disadvan-  
16 taged South Africans to take their rightful place in  
17 the political, social, and economic systems of their  
18 country;

19 (2) give priority to working with and through  
20 South African nongovernmental organizations whose  
21 leadership and staff represent the majority popu-  
22 lation and which have the support of the disadvan-  
23 taged communities being served by such organiza-  
24 tions;

25 (3) in the case of education programs—

1 (A) be used to increase the capacity of  
2 South African institutions to better serve the  
3 needs of individuals disadvantaged by apart-  
4 heid;

5 (B) emphasize education with South Africa  
6 to the extent the assistance takes the form of  
7 scholarships for disadvantaged South African  
8 students; and

9 (C) fund nontraditional training activities;

10 (4) support activities to prepare South Africa  
11 for elections, including voter and civic education pro-  
12 grams, political party building, and technical elec-  
13 toral assistance;

14 (5) support activities and entities, such as the  
15 Peace Accord structures, which are working to end  
16 the violence in South Africa; and

17 (6) support activities to promote human rights,  
18 democratization, and a civil society.

19 (b) GOVERNMENT OF SOUTH AFRICA.—

20 (1) LIMITATION ON ASSISTANCE.—Except as  
21 provided in paragraph (2), assistance provided in ac-  
22 cordance with this section may not be made available  
23 to the Government of South Africa, or organizations  
24 financed and substantially controlled by that govern-  
25 ment, unless the President certifies to the Congress

1 that an interim government that was elected on a  
2 nonracial basis through free and fair elections has  
3 taken office in South Africa.

4 (2) EXCEPTIONS.—Notwithstanding paragraph  
5 (1), assistance may be provided for—

6 (A) the Transitional Executive Council;

7 (B) South African higher education insti-  
8 tutions, particularly those traditionally dis-  
9 advantaged by apartheid policies; and

10 (C) any other organization, entity, or activ-  
11 ity if the President determines that the assist-  
12 ance would promote the transition to nonracial  
13 democracy in South Africa.

14 Any determination under subparagraph (C) should  
15 be based on consultations with South African indi-  
16 viduals and organizations representative of the  
17 majority population in South Africa (particularly  
18 consultations through the Transitional Executive  
19 Council) and consultations with the appropriate con-  
20 gressional committees.

21 **SEC. 6. UNITED STATES INVESTMENT AND TRADE.**

22 (a) TAX TREATY.—The President should begin im-  
23 mediately to negotiate a tax treaty with South Africa to  
24 facilitate United States investment in that country.

1       (b) OPIC.—The President should immediately initi-  
2     ate negotiations with the Government of South Africa for  
3     an agreement authorizing the Overseas Private Invest-  
4     ment Corporation to carry out programs with respect to  
5     South Africa in order to expand United States investment  
6     in that country.

7       (c) TRADE AND DEVELOPMENT AGENCY.—In carry-  
8     ing out section 661 of the Foreign Assistance Act of 1961,  
9     the Director of the Trade and Development Agency should  
10    provide additional funds for activities related to projects  
11    in South Africa.

12      (d) EXPORT-IMPORT BANK.—The Export-Import  
13    Bank of the United States should expand its activities in  
14    connection with exports to South Africa.

15      (e) PROMOTING DISADVANTAGED ENTERPRISES.—

16          (1) INVESTMENT AND TRADE PROGRAMS.—  
17       Each of the agencies referred to in subsection (b)  
18       through (d) should take active steps to encourage  
19       the use of its programs to promote business enter-  
20       prises in South Africa that are majority-owned by  
21       South Africans disadvantaged by apartheid.

22          (2) UNITED STATES GOVERNMENT PROCUREMENT.—  
23       To the extent not inconsistent with the obli-  
24       gations of the United States under any international  
25       agreement, the Secretary of State and the head of

1 any other department or agency of the United States  
2 carrying out activities in South Africa shall, to the  
3 maximum extent practicable, in procuring goods or  
4 services, make affirmative efforts to assist business  
5 enterprises having more than 50 percent beneficial  
6 ownership by South African blacks or other  
7 nonwhite South Africans, notwithstanding any law  
8 relating to the making or performance of, or the ex-  
9 penditure of funds for, United States Government  
10 contracts.

11 **SEC. 7. INFORMATION AND EDUCATIONAL EXCHANGE PRO-**  
12 **GRAMS.**

13 The Director of the United States Information Agen-  
14 cy should use the authorities of the United States Infor-  
15 mation and Educational Exchange Act of 1948 to promote  
16 the development of a nonracial democracy in South Africa.

17 **SEC. 8. OTHER COOPERATIVE AGREEMENTS.**

18 In addition to the actions specified in the preceding  
19 sections of this Act, the President should seek to conclude  
20 cooperative agreements with South Africa on a range of  
21 issues, including cultural and scientific issues.

22 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTIONS AND**  
23 **OTHER DONORS.**

24 (a) IN GENERAL.—The President should encourage  
25 other donors, particularly Japan and the European Com-

1 munity countries, to expand their activities in support of  
2 the transition to nonracial democracy in South Africa.

3 (b) INTERNATIONAL FINANCIAL INSTITUTIONS.—

4 The Secretary of the Treasury should instruct the United  
5 States Executive Director of each relevant international  
6 financial institution, including the International Bank for  
7 Reconstruction and Development and the International  
8 Development Association, to urge that institution to initi-  
9 ate or expand its lending and other financial assistance  
10 activities to South Africa in order to support the transition  
11 to nonracial democracy in South Africa.

12 **SEC. 10. CONSULTATION WITH SOUTH AFRICANS.**

13 In carrying out this Act, the President should consult  
14 closely with South African individuals and organizations  
15 representative of the majority population in South Africa  
16 (particularly consultations through the Transitional Exec-  
17 utive Council) and others committed to abolishing the  
18 remnants of apartheid.

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HR 3225 IH—2